



U.S. Department of Justice

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NEWS RELEASE

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Jury Finds Men Guilty in \$4 Million International Investment Fraud

U.S. Attorney David E. O'Meilia announced that a federal jury returned a guilty verdict today against two men in a money laundering conspiracy and investment fraud involving the sale of old railroad bonds and obscure 100 year-old Chinese bonds to over 400 investors.

Joseph L. Thornburgh, 61, of Mounds, and Steven Fishman, 59, of Corona, California, were found guilty of charges issued in a Grand Jury indictment that was issued in November 2007. The two men were accused of participating in a 4 million dollar international investment fraud that alleged a conspiracy to commit wire fraud, mail fraud and money laundering. The two week trial was highlighted by testimony of investors from both the United States and Australia.

Over 400 victims, many of whom were sheep farmers in New Zealand, were affected by the scheme, according to prosecutors, who presented several investors as witnesses. The investments were based upon bonds issued in the 1850s by a defunct railroad and issued almost one hundred years ago by the government of China which fell to the Communists in 1949. Witnesses reported that Thornburgh and Fishman represented that the historical bonds had astronomical values and could be used to obtain lines of credit from European banks, which would then be used in high yield investment programs to reap billions of dollars of profits for the investors. Investors were told that the investments were risk free, and that the railroad bonds were backed by the United States government and Amtrak. Prosecutors introduced evidence that the government and Amtrak had no connection to the bonds, and that the bonds had value only as collectible items, and no value for investment purposes. The scheme was uncovered when local Tulsa investors reported that they had lost their life savings in the scheme.

On April 3, 2009, Robert W. Searles, 71, of Loudon, Tennessee, pleaded guilty to conspiracy to commit money laundering, arising from the same scheme. A fourth defendant, Wayne Davidson, early 60s, of Wanganui, New Zealand, remains at large.

The case was prosecuted by Assistant United States Attorneys Charles M. McLoughlin, Kevin C. Leitch, and Catherine Depew, and the case was investigated by United States Postal Inspector Al Chapa and Special Agent Kathy Beckner of the Internal Revenue Service, Criminal Investigations, Investigator Ian Varley of the Serious Fraud Office of the New Zealand Police, Investigator Michael Molyneaux of the Australian National Police and Special Agent Gary Price of the Federal Bureau of Investigation in Abu Dhabi.

U.S. Attorney O'Meilia commended the investigators and prosecutors in the case and further stated that, "White collar fraud cases are a priority of the United States Attorney's Office and it is of the utmost importance that unwary legitimate investors be protected from the greed of those criminal elements who would prey upon them."

(Call AUSA Charles McLoughlin at 918-344-6269 for further information about this case.)